

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 1082
ANSWERED ON 09.02.2026

PRIVATE SECTOR PARTICIPATION IN MINING SECTOR

1082. SHRI S. KALYANASUNDARAM:

Will the Minister of MINES be pleased to state:

- (a) whether Government is expanding private sector participation and auctioning of mineral blocks, including critical and strategic minerals, as part of recent mining sector reforms;
- (b) the details of mineral blocks and public sector mining assets identified for privatization or commercial auction, along with State-wise break-up and timelines;
- (c) whether Government has assessed the impact of such measures on public sector undertakings, workers' job security and revenue to mineral-bearing States; and
- (d) the safeguards proposed to ensure environmental compliance, community welfare and sustainable mining practices amid increased private participation?

ANSWER

THE MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a) to (c): The Mines and Minerals (Development and Regulation), Act, 1957 (MMDR Act) was amended in 2015 to introduce auction for grant of mineral concessions. Further amendments in 2021 facilitated faster auction and operationalisation of mineral blocks by removing end-use restrictions, permitting sale of minerals from captive mines, providing for automatic transfer of statutory clearances to the successful bidder selected through auction and allowing transfer of mineral concessions. The auction framework was simplified by permitting auction of Composite Licence blocks at G4 level and Mining Lease blocks for surficial minerals at G3 level. Pursuant to the MMDR Amendment Act, 2023, the Central Government has been empowered to conduct auctions, including for critical and strategic mineral blocks.

State-wise details of mineral blocks successfully auctioned and mineral blocks put up for auction are given in **Annexure**.

Mineral blocks are open to both public and private sector participation in the auction process. Mining leaseholders are required to comply with provisions of relevant laws in force, including labour laws. Further, the leaseholders are required to pay auction premium in respect of auctioned mines, royalty, and contributions to the District Mineral Foundation (DMF) and National Mineral Exploration and Development Trust (NMEDT). The royalty, auction

premium and contribution to DMF accrue to the respective State Governments. As a result of the various reforms, the revenue to the State Governments has increased considerably.

(d): Before grant of mineral concessions, it is mandatory to obtain the requisite statutory clearances from various departments of the Central Government and respective State Governments, including Environmental Clearance. As part of grant of Environmental Clearance, the prospective lessees carry out Environment Impact Assessment (EIA) and submit the Environment Management Plan (EMP) based on scientific study by taking into consideration likely impact of project activity on the baseline environment. The mining lease holders implement the environmental mitigation measures as approved during grant of Environmental Clearance.

Section 9B of the MMDR Act empowers the State Governments to establish DMF to work for welfare and benefit of persons and areas affected by mining related operations. Further, Ministry of Mines has implemented Sustainable Mining Practices by making provisions under Chapter-V of Mineral Conservation and Development Rules (MCDR), 2017. Provisions have been incorporated in the rules for precaution against air pollution, prevention of discharge of toxic liquid, precaution against noise, control of surface subsidence, etc.

Rule 35 of MCDR, 2017 provides for star rating of the mining leases based on the sustainable mining practices adopted by the miners. The star rating scheme is designed to have an inbuilt compliance mechanism for environment and forest safeguards and has been helpful in recognizing good performers in the sector while encouraging all mining lease holders to strive for excellence. Further, as per Rule 35 (4) of MCDR, 2017, every holder of a mining lease is mandated to achieve at least three-star rating within a period of four years from the date of commencement of mining operations and thereafter maintain the same on year-on-year basis.

Annexure

Annexure referred in reply to parts (a) to (c) of Rajya Sabha Unstarred Question No. 1082 for answer on 09.02.2026

State / UT	No. of mineral blocks successfully auctioned since 2015	No. of mineral blocks put up for auction
Andhra Pradesh	37	13
Arunachal Pradesh	5	3
Assam	7	-
Bihar	4	1
Chhattisgarh	61	8
Gujarat	43	20
Jharkhand	11	1
Karnataka	64	7
Madhya Pradesh	121	-
Maharashtra	45	1
Odisha	63	12
Rajasthan	117	13
Tamil Nadu	2	23
Telangana	6	2
Uttar Pradesh	13	1
Uttarakhand	1	1
Goa	12	6
Punjab	-	1
West Bengal	-	2
Jammu & Kashmir	-	7
Total	612	122

Note: Mineral blocks include critical & strategic mineral blocks